Royal BC Museum

2014/15
ANNUAL SERVICE PLAN REPORT

ROYAL BC MUSEUM

BRITISH COLUMBIA

For more information on the Royal BC Museum contact:

Royal BC Museum

675 Belleville Street, Victoria BC V8W 9W2

250-356-7226

receptionist@royalbcmuseum.bc.ca

or visit our website:

http://royalbcmuseum.bc.ca/

Board Chair's Message and Accountability Statement

Government's Letter of Expectations for 2014/15 directed us to showcase our treasures; develop a long-term strategy for managing the collections and archives; drive revenue through innovations; strengthen the museum's digital infrastructure; and advance understanding of First Nations arts, culture and languages. Our related goals are to create a unique Royal BC Museum; strengthen our digital infrastructure; increase access to our collections and archives, while improving their long-term care; and develop as a financially sustainable and progressive organization.

I am pleased to report on our accomplishments. During this period, we addressed government's priorities and specific direction while making substantial progress towards our goals. In cooperation with Ministry Executive, we also worked to implement action items from the Taxpayer Accountability Principles Addendum for 2014/15.

Because admission revenues supply a large part of our operating budget, attracting visitors is key to our financial sustainability. This year we drew a record 790,000 visitors overall, the numbers boosted by our outstanding exhibition *Vikings: Lives Beyond the Legends*. Confirming and promoting our appeal, an independent, international travel reviewer voted us Canada's top museum in 2014.

Showcasing BC's collection, we loaned 25 of our Emily Carr works to an internationally acclaimed exhibition in London, the first in the UK dedicated to BC's iconic artist. In another first, our *Tradition in Felicities* exhibition went to China to further support BC's Asia Pacific Strategy. BC's rich cultural heritage was front and centre in June 2014 when we hosted the Annual General Meeting of the Canadian Commission for UNESCO. Recognising the centenary of World War 1, rare film footage was conserved and presented as part of the exhibition *Answering the Call*.

Partners are essential to our success, and we continued building partnerships at all levels of our organization. We collaborated with the First Peoples' Cultural Council to present the internationally award winning exhibition *Our Living Languages*, celebrating the rich diversity of First Nations languages in BC. In February 2015, we introduced our *Learning Portal*, an online tool for learners and educators, developed with their input and partnered to produce the first Democracy in Action youth conference. We engaged government about processing, preserving and providing access to government archives. We launched new, more secure collections management systems for the museum and archives, and started developing our integrated digital strategy.

We ended the year with a small surplus and a cautiously optimistic outlook, aware that revenues are always subject to changing external factors. As we strive to maintain our aging facilities, we continue working to secure funding from all levels of government, private sector partners and philanthropists to develop a comprehensive business case to support our masterplan for the Royal BC Museum.

For its ongoing support, we are grateful to the provincial government as well as the Boards of the Royal BC Museum Foundation and the Friends of the BC Archives, our funders, sponsors, commercial partners, volunteers and associates. We also thank our many visitors for joining us on this journey of discovery about British Columbia and its place in the world.

The Royal BC Museum 2014/15 Annual Service Plan Report compares the corporation's actual results to the expected results identified in the 2014/15 - 2016/17 Service Plan. I am accountable for those results as reported.

Susan Knott
Board Chair

Table of Contents

Board Chair's Message and Accountability Statement 3
Purpose of the Organization 6
Strategic Direction and Context 6
Strategic Direction 6
Strategic Context 7
Report on Performance 7
Goals, Strategies, Measures and Targets 9
Financial Report 16
Management Discussion and Analysis 16
Financial Resource Summary Table 17
Auditor's Report 18
Audited Financial Statements 20
Appendix A: Additional Information 35
Organizational Overview 35
Corporate Governance 35

Purpose of the Organization

The Royal BC Museum was created under the *Museum Act* (2003) to:

- fulfil Government's fiduciary role as a public trustee of specimens, artifacts, the archives of government, and private archival records and other materials that illustrate the natural and human history of British Columbia;
- communicate knowledge of British Columbia's human and natural history through exhibitions, research and programs; and
- hold collections for current and future generations of British Columbians.

The Royal BC Museum is an internationally renowned centre of learning and education, drawing visitors from around the world. We serve all British Columbians through:

- collecting, conserving and keeping safe the Province's historic treasures;
- providing facilities, research, exhibitions, programs and events on site;
- managing an online presence with information, interactive exhibitions and education programs, including the *Learning Portal*, which supports the provincial curriculum;
- generating international interest in and respect for British Columbia, its peoples, systems and environment through partnerships, collaborations and touring exhibits; and
- supporting an array of tourism-related jobs, businesses and revenues.

Strategic Direction and Context

Strategic Direction

Government's 2014/15 Letter of Expectations directed us to ensure our priorities reflected a strong economy, jobs and families, and to take the following specific actions:

- Continue to drive revenue through innovative business development strategies, including the development of partnerships and implementing a sustainable fundraising program.
- Operate the business of the Corporation including preparing a long-term strategy for managing the collections and archives.
- Provide periodic updates to government on the status of the comprehensive business case for the Royal BC Museum's proposed implementation of its site masterplan.
- Continue to research, expand upon and discover new knowledge about British Columbia's natural and human history.
- Advance understanding and raise awareness of First Nations arts, culture and languages in British Columbia, and showcase British Columbia's unique and important treasures from the museum and archives;
- Explore strengthening the museum's digital infrastructure, bringing together the museum's digital resources to promote the discovery, understanding and enjoyment of the collections.

Government's Taxpayer Accountability Principles Addendum reinforces a cost-conscious, efficient and accountable approach to doing business. It sets out our actions related to adopting and communicating the principles, reviewing and making public our Code of Conduct, and establishing regular meetings with Ministry executive.

Strategic Context

Close to 40 per cent of our basic operating budget is funded by revenues from admissions and memberships, philanthropic contributions, sponsorships and other sources of self-generated income.

A risk identified in the 2014/15 service plan was the safety of our collections. This year, two serious water leaks damaged the museum building, though no objects from the collections sustained damage. We have developed plans and costing to address the highest priority needs, and we continue to seek assistance with funding from private and public sources to allow us to begin implementing our masterplan for phased site renewal to protect BC's collections. To end of fiscal, approximately $3.5 million has been raised through the Royal BC Museum Foundation towards implementing the masterplan.

Another risk noted was the potential for rising costs to outstrip revenues, with our mitigation efforts challenged by vacancies in several key positions. This year we filled vacancies on our executive and development teams, which also helped to address our succession risk. We expanded our base of community support through partnerships with other museums, institutions and community groups.

Market factors were identified as a third risk. Fortunately, 2014/15 saw an increase in the number of tourists, particularly from the U.S., partly as a result of favourable currency exchange rates and a more stable U.S. economy.

Report on Performance

In 2014/15, we addressed government's priorities (jobs, families and the economy) and specific direction, while making substantial progress towards our goals. In cooperation with Ministry Executive, we also worked to implement action items from the Taxpayer Accountability Principles Addendum for 2014/15.

Addressing Government's Letter of Expectations

We continued to drive revenue by attracting more visitors, strengthening our fundraising capacity and establishing partnerships that support our collection, research and exhibitions, while opening doors for potential new revenues from touring exhibitions. We launched an online shop. By introducing new collection management systems for the museum and the archives, we paved the way for further revenues from reproduction rights.

We operated the business of the corporation, filling key vacancies on our executive and development team, and earning a "best museum in Canada" designation from an independent international travel reviewer. We worked towards an agreement with government which enables the processing, preservation and public access to government archives. Our masterplan for site refinement addressed the long-term strategy for managing and protecting the collections and archives.

We continued to research, expand on, discover and communicate new knowledge about BC's natural and human history through various media, including public talks, *What's inSight* and *Curious Quarterly* magazines, the TV series *This Week in History* and several notable books and research articles published this year.

We engaged First Nations communities in producing *Our Living Languages*, a multi-year exhibition celebrating their rich diversity of languages, culture and art, and we continued to welcome First Nations communities, individuals and organizations, as well as 500 Ministry of Health representatives from across BC engaged in cultural awareness training.

We showcased BC's treasures from the museum and archives in our galleries and exhibition halls and on our website. We took Emily Carr works to the UK, and a museum-created exhibition to China, both firsts. In China, the exhibition was seen by about 280,000 people. In London, more than a million people viewed Carr's works during the four-and-a-half-month-long exhibit, increasing BC's international profile and opening up opportunities for future growth. BC's rich cultural heritage was front and centre in June 2014 when we hosted the AGM of the Canadian Commission for UNESCO.

While working on developing an integrated digital strategy, we replaced our collections management systems, launched our *Learning Portal*, an online tool for learners and educators developed with their input, and launched new online exhibitions, including *100 Objects of Interest*.

Addressing Taxpayer Accountability Principles

In cooperation with Ministry Executive, we also addressed action items from government's Taxpayer Accountability Principles Addendum. This work included adopting and communicating the principles, reviewing and posting our standards of conduct on our website, and establishing regular meetings between our executive and Ministry executive. Performance measures that demonstrate our commitment to the Taxpayer Accountability Principles will be identified in consultation with ministry staff and the Deputy Minister early in 2015/16.

Meeting our goals

We also advanced our goals and fulfilled our mandate through the following:

- Overall visitors to our physical site set a new record at 790,000. Our *Wildlife Photographer of the Year* and *Our Living Languages* exhibitions matched or exceeded expectations, while paid attendance (over and above membership visits) for *Vikings: Lives Beyond the Legends* was 237,953 visitors, 24 per cent above projections.
- We increased our fundraising capacity, appointing a specialist Head of Development to create and oversee the next phase of our program with a strategic approach focused on major gifts.
- We increased our capacity for implementing our long-term strategy to manage the collections and archives by filling key vacancies.
- We implemented new, more secure collections management systems for the museum and archives, met our digitization targets for the year, and started developing an integrated digital strategy to facilitate conservation, access and business opportunities.
- We developed productive new partnerships at all levels throughout the organization, supporting research, collection management, exhibitions and increased tourism to BC.
- We welcomed more than 8,800 visitors on Family Day, with free admission supported by a $40,000 grant from the Ministry of Community Sport and Cultural Development, and further increased accessibility with "By Donation Week."
- We improved volunteer recruitment, training, reporting and alignment with our strategic learning plan based on our volunteer program review.
- We streamlined our entrance lobby to serve visitors better and more efficiently, and introduced new way-finding signage and graphics.

- We continued to develop and report on our risk register and review our performance against 2014/15 Service Plan objectives at quarterly meetings with the Ministry.

Goals, Strategies, Measures and Targets

Our goals are inter-related and mutually supportive; together, they provide a strong foundation to support our legislated mandate and government's priorities. Work toward our goals helps us to:

- attract and engage more visitors on site and on line;
- deliver valuable education resources and learning programs and events;
- better preserve and manage the collections, while making them more accessible; and
- build revenues and support needed for our economic sustainability, while working towards site improvements that will preserve BC's collections as a lasting legacy for generations to come.

Our success supports government's priorities by creating jobs, tourism revenues, an enhanced reputation abroad for culture in our province, and enriched learning opportunities, especially for families and school children.

Our ongoing efforts to refine the targeting and accuracy of our performance measures have resulted in some adjustments to results and projections. Where these apply, they are noted in footnotes below the performance measure tables.

Goal 1: Create a Unique Royal BC Museum

Creating a unique BC museum and archives enables us to attract and engage more visitors, better fulfilling our mandate to communicate knowledge of BC's human and natural history. It results in higher revenues from admissions, and helps us attract donors, sponsors and volunteers. This in turn supports economic sustainability and government's direction to showcase BC's treasures.

Strategies

The following strategies were listed in our 2014/15 – 2016/17 Service Plan:

- Improve the quality of the main entrance and provide visitors with a first-class welcome.
- Building on our definitive collections, refresh our permanent galleries to make a visit to the Museum more relevant and engaging.
- Maintain an active exhibition program, conducting periodic evaluations to determine visitor interest and satisfaction.
- Build an intriguing, unique and challenging program of learning opportunities for all ages.

During 2014/15, these were refined to:

- Improve the quality of the museum's main entrance.
- Provide visitors with a first-class welcome.
- Continue to build on our definitive collections to refresh the lower floor of the museum.
- Provide vibrant temporary exhibitions and refreshed permanent galleries.

These strategies support the cost-efficiency and service aspects of the Taxpayer Accountability Principles, government direction to drive revenues and showcase our collections, and our legislated mandate to serve as an educational institution.

Performance Measure 1: Visitor volume on site

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Visitor volume on site, in millions (M)[1]	0.46 M[2]	0.48 M[2]	Not Measured[4])	0.47 M[2]	Not measured 0.0 M[4]	Will not be measured	Will not be measured

Data Source: Finance & Procurement reporting systems. Data includes ticketed visitors to the museum and IMAX, counted automatically by entrance systems. Data is tightly controlled and reliable. Non-ticketed visitor numbers are recorded manually via registration for events/courses and by head counts at events.

[1] Measurement approaches and specific metrics in PM 1 were changed in 2014 after the Royal BC Museum adopted a new methodology to forecast, measure and report more meaningful targets with increased accuracy. Visitor volume was 650,000 in in FY 2013/14.

[2]Actual figures for 2011/12 and 2012/13 reflect the old methodology. So too do targets for 2014/15. This metric will not be measured in 2015/16 and 2016/17.

[4] We did not measure 2013/14 and 2014/15 results according to the old methodology, so no number has been provided. A new methodology has been developed and presented in the 2015/16-2017/18 service plan.

Discussion

- Visitor volume is a key indicator of our success in providing a unique and appealing Royal BC Museum; it also impacts our financial sustainability.
- Ticket prices have not increased, based on research that indicated price resistance would impact ticket sales. The museum is made accessible to low-income British Columbians with events such as Admission by Donation Week and the Ministry-supported Family Day, which welcomed 8,800 visitors in 2014/15.
- In 2014 we adopted a new measurement approach that more accurately reflects the numbers of people coming through our doors. Previous years figure were adjusted in the 2015/16-2017/18 Service Plan and will be reported on at that time.

Performance Measure 2: Visitor satisfaction

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Per cent of people reporting satisfaction with their visit	100%	90%	93%	92%	94%	93%	94%

Data Source: Marketing & Business Development records. Two comprehensive on-site research studies produced outcomes that are consistent with these results.

Data is gathered in exit interviews to our physical site with a random sample of visitors, and is reliable with 95% confidence, 19 times out of 20. Surveys are conducted monthly.

Discussion

- This provides a qualitative measure of our ability to provide an inviting and engaging environment – a unique Royal BC Museum. It is also an indicator of our success at operating the business of a museum, as per our mandate and government direction.

Performance Measure 3: Per cent of visitors reporting an increased understanding of the BC story

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Per cent of visitors reporting an increased understanding of the BC story[1]	84%[2]	80%[2]	not measured	[2]not measured	not measured	will not be measured	will not be measured

Data Source: Learning department records.

[1] This performance measure has been discontinued since the 2014/15 Service Plan, changing to "Attendance at learning programs and events". Attendance is deemed a more meaningful measure of progress toward our goal of being a unique Royal BC Museum.

[2] Actual figures for 2011/12 and 2012/13 reflect the old methodology. Targets in 2015/16 and 2016/17 will not be measured. We measured 2013/14 results against attendance at learning programs and events, reaching 82,695 people.

Discussion

- Our learning programs and events support our legislated mandate to educate people about BC's natural and human history.

Goal 2: Strengthen our digital infrastructure and reputation

Our digital presence is the virtual face of the museum and archives, supporting our reputation and by extension, that of British Columbia. It is a central access point to information, online exhibitions, social media sites and, increasingly, to our collections, our experts, our educational programs and to some of our commercial activities. This being the case, online visitor volume is a strong indicator of our success in becoming a modern, accessible museum.

The first goal of digitization is preservation – ensuring fragile records, such as historic recordings and films, are available for future generations. Digital information is accessible and searchable, significantly extending reach and value to researchers worldwide. Digitization opens up commercial opportunities such as sales of e-publications, photographs and posters, image rights, online conferences and treasures from the Royal Museum Shop.

These efforts support the cost-efficiency and service aspects of the Taxpayer Accountability Principles and our legislated mandate to serve as an educational institution.

Strategies

The following strategies were identified in our 2014/15 – 2016/17 Service Plan:

- Create an online *Atlas of British Columbia* as a single portal to our collections, research and datasets.
- Create a single-source image bank of archival resources, to enable commercialization.
- Consolidate our various IT platforms and digital assets, to enable the long-term preservation of our archival collections and improve accessibility.

During 2014/15, these were changed to:

- Assess the strengths and weaknesses of our existing digital infrastructure, and determine prioritized opportunities for improvement.

- Create an online *Atlas of British Columbia* as a single portal to our collections, research and datasets.
- Improve our digital learning outputs to meet the needs of learners throughout BC.
- Develop a digital communication strategy.

Performance Measure 4: Visitor volume online

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Online visitor volume, in millions (M)	5.8 M page views 0.48 M web visits	2.5 M page views 0.49 M web visits	2.4 M page views 0.81 M web visits	3.0 M page views 1.25 M web visits	5.0 M[1] page views 1.2 M web visits	3.25 M page views 1.5 M web visits	3.5 M page views 1.75 M web visits

Data Source: New Archives & Digital Preservation records. The data is collected by our website statistics, and is tightly controlled and reliable.

[1] Starting in 2014/15, we are including page views for the collections and archives, giving a truer representation of our digital presence. As a result, there is a significant increase in page views compared with previous years. 2015/16 and 2016/17 targets shown above are based on the 2014/15 Service Plan and have been revised in the 2015/16 Service Plan.

Discussion

- Visitor volume is a key indicator of online success and of our reputation as a modern, accessible museum. It also shows the growing strength of our digital infrastructure. Additions in 2014/15 include new collections management systems, the *Learning Portal* – the first module of the *Atlas of British Columbia* – and online exhibitions like *100 Objects of Interest*.
- The time and effort needed for us to digitize the more than seven million items in our collection would be prohibitive, so, like other museums and archives around the world, we continue to look for synergies with digitizing collaborators like the Google Cultural Institute, which is already a partner.

Goal 3: To enable greater access to our collections and archives while improving their long-term care

Central to our mandate is to fulfil government's duty as public trustee of materials that illustrate the natural history and human history of BC. These materials include specimens, artifacts, government archives, private archival records, paintings and audio and visual records. We are responsible for preserving, holding and providing access to these materials for current and future generations of British Columbians.

Government's direction in the Letter of Expectations was to prepare a long-term strategy for managing the collections and archives.

Strategies

The following strategies were listed in our 2014/15 – 2016/17 Service Plan:

- To enable and encourage greater access to our collections and archives, both physically and intellectually, while improving their long-term care and conservation.

- By 2014 we will have developed research, exhibition and publication plans for selected specific collections and archives strengths, providing better search results for these collections. By 2015 we will have advanced our warehouse rationalization project and by 2020 we will have built a new BC Archive and Collections Centre that provides increased opportunities for visitors and researchers from around the world to access material to inform and strengthen their research.

During 2014/15, these were changed to:

- Manage the ongoing security of the Royal BC Museum's artifacts, specimens and archives by working to advance the masterplan developed in 2013.
- Develop a plan for a new public gallery and study centre for the Royal BC Museum's unseen Emily Carr works, including her writings.
- In close collaboration with the Ministry of Technology, Innovation and Citizens Services, advance work on a solution to the backlog of government records that have not been deposited in the BC Archives.
- Develop and publish the Museum's Research Strategy.

These efforts support the cost-efficiency and service aspects of the Taxpayer Accountability Principles and our legislated mandate to care for the collections and archives.

Performance Measure 5: Protection of Royal BC Museum collections

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Collection Risk Management Index (CRMI) score[1]	84%	80%	82%	80%	80%	80%	80%

Data Source: Collections Care & Conservation records.

[1] The Collections Risk Management Index (CRMI) measures progress on our Collections Risk Mitigation Plan (CRMP), showing how much has been completed. The CRMP is based on a collections risk assessment done every five years, next due in 2015. This assessment follows the Canadian Museum of Nature's Cultural Property Risk Analysis Model methodology, which has become the international standard. Past initiatives have included better labelling techniques, implementing a cold storage program for deteriorating film, and installing fire suppression equipment in Helmcken House. Risk mitigation will not be rated 100% until we have a new collections and research building to address the major earthquake and flooding risks, and provide environmental conditions that meet international standards.

Discussion

- We developed a masterplan for site renewal to meet international standards and enable us to preserve, protect and provide access to the province's human and natural history collections, especially those items at highest risk. We continue to seek funding from all levels of government, private sector partners and philanthropists to move our masterplan forward.

Goal 4: Develop as a progressive organization

Taxpayer accountability principles promote efforts to support sustainable public policies and programs as a lasting legacy for generations to come. Government direction is to drive revenue.

Strategies

The following strategies were listed in our 2014/15 – 2016/17 Service Plan:

- Align skills and succession with our forward plan.
- Generate income via philanthropic investment, sponsorship, grants and increased strands of self-generated income.
- Develop our international relations.

During 2014/15, these were changed to:

- Strengthen and diversify our funding base, to generate additional income and increase other strands of self-generated income.
- Align our skills and succession with our forward plan.
- Strengthen and grow community support, including growing and enhancing the volunteer program of the museum and archives.
- Strengthen international relationships, especially with emerging markets (e.g. China and India).

Discussion of strategies without metrics-based performance measures.

Skills and succession

- In 2014/15, two appointments brought new strength and perspectives to our executive team – Dr. Scott Cooper as Vice President of Exhibitions Innovation, and Peter Ord, as Vice President of Archives, Collections & Knowledge. Former VP Gary Mitchell was appointed Provincial Archivist Emeritus, honouring his long service and facilitating knowledge transfer.
- During the period we also filled 12 vacancies (over 10 per cent of regular positions) and completed a review of all job descriptions in the museum.

International relationships

- Raising our reputation nationally and internationally attracts new audiences and increases opportunities for collaboration, exchange and philanthropy. 2014/15 highlights include:
    - First-ever showings of Emily Carr works from our collection in the UK, and a museum-created exhibition, *Tradition in Felicities*, in China.
    - Hosting UNESCO's Canadian Commission AGM, drawing international attention to BC's rich natural and cultural heritage.
- We have developed significant relationships with major museums in China to support research, collections and exhibition touring (a business development strategy). These partnerships and collaborations demonstrate our growing international profile, providing opportunities for future growth and development, and supporting government's intention to maximize the use of BC's cultural assets to help drive tourism.

Performance Measure 6: Revenue earned from operations

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Revenue earned from operations in millions (M)[1]	$7.0 M	$7.0 M	$7.5 M	$7.5 M	$8.7 M[2]	$7.7 M	$7.9 M

Data Source: Finance & Procurement reporting systems.

[1] Revenue from operations includes admission fees, memberships, lease and licensing revenue.

[2] Revenues were above projections because of the greater-than-anticipated success of the *Vikings* exhibition. *Wildlife Photographer of the Year* was also above projections.

Discussion

- With a large part of our budget reliant on admissions revenues, a major focus is presenting exhibitions, programs and events that will attract increasing numbers of visitors. At the same time, we are working to build other revenue streams from our operations. These efforts are reflected under "Other Income" in the financial statements, and include revenues such as donations, sponsorships, programs, leases, services and sales.

Performance Measure 7: Community Support through volunteering, in-kind media, donations (cash and in-kind) and grants

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Number of volunteer hours[1]	40,000	37,305	36,000[5]	38,000	46,222	38,000	38,000
Value of media, both in-kind and earned, in millions (M)[2]	$0.35 M in-kind $0.98 M earned	$0.23 M[4] in-kind $1.0 M earned	$1.36 M in-kind $1.22 M earned	$0.3 M in-kind $1.1 M earned	$0.75 M in-kind $0.49 M[6] earned	$0.35 M in-kind 1.2 M earned	$0.35 M in-kind 1.2 M earned
Donations (cash and securities) and grants, in millions (M)[3]	$1.04 M	$0.02 M[4]	$0.75 M	$0.75 M	$0.89 M	$0.85M	$0.85M

Data Source: [1] Human Resources & Volunteer Services records;

[2] Marketing & Business Development records, measured by column inches of print coverage, seconds of broadcast coverage and how much this would cost in advertising dollars.

[3] Finance & Procurement reporting systems.

[4] Actual figures are $1.043 M and $0.016 M but rounded up for table consistency. Columns may not sum due to rounding.

[5] 2013/14 hours reflect low staffing levels, with fewer staff available to manage volunteers; targets reflect a reduced need for on-site school programs with the implementation of the *Learning Portal*.

[6] Earned media dropped by more than half between 13/14 and 14/15.These results point to a need to review the established calculation process. This could result in lower

projections, but will provide clarity and confidence about accuracy going forward.

Discussion
Most grants and donations of cash/securities for the museum flow through the Royal BC Museum Foundation, and then enter the museum's revenue stream as a contribution towards a particular purpose (e.g. a current or future exhibition, or a planned capital project). Thus donations included in performance measure reports may not be directly reflected in revenues for a specific year. Corporate sponsorships do not flow through the Foundation; in 2014/15, these totalled $197,500, not including in-kind sponsorships.

Financial Report

Management Discussion and Analysis

The Royal BC Museum is committed to a strong financial foundation for the delivery of quality museum and archival services. Financial sustainability is central to our stewardship role. To effectively manage the variable and unpredictable nature of our revenue and philanthropic contributions, we are working to diversify and increase revenue streams and we are exploring innovative ways to engage donors, the provincial and federal governments, as well as the private sector. These revenue streams take time to develop, and require both human and financial resources to build.

Following is a summary of key financial results and variances for the 2014/15 fiscal year.

Revenues

The annual grant from the Province accounted for 58% of our total revenue (61% in 2013/14), admission fees provided 25% (19% in 2013/14) and other income provided 17% (20% in 2013/14).

Admission fees fluctuate each year depending on the special exhibitions being hosted, the economic climate and the weather. Primarily because of the success of the *Vikings: Lives Beyond the Legends* exhibition, admission fees increased by $1.544 million over the prior year.

Other income includes grants, sponsorships, leases, rentals, royalties, and other income earned from programs. Other income was $0.361 million lower than the prior year, primarily due to a reduced requirement in the current year for grant funding from the Royal BC Museum Foundation, related to the Royal BC Museum renewal project.

Expenditures

The Royal BC Museum's expenses are essentially fixed, other than special exhibitions. We continue to develop strategies to manage expenditures while maximizing programs in order to meet our mandates in the most cost-effective manner.

Salaries and benefits increased by $0.300 million over the prior year ($0.454 million under budget) due to an unusually low expense in 2013/14 caused by delays in filling vacant positions resulting from a hiring freeze that was put in place in 2012/13 by government. During the year most of the positions were filled.

Special exhibitions' expenses vary each year depending on the number and timing of the exhibitions. During the year, these expenses increased by $0.361 million over the prior year, ($0.133 million over

budget), mainly caused by a portion of expenses related to the *Gold Rush* exhibition being expensed in the current fiscal period.

Other operating costs includes a wide range of functions that impact all areas including: offsite storage leases, insurance, travel, bank charges, information systems, marketing and communications, general office supplies, professional services and the fair value of items donated to the collections. These costs increased by $0.684 million over the prior year, ($1.171 million over budget), largely due to various one-time project costs such as building upgrades and repairs, in addition to expenses incurred related to the Royal BC Museum renewal project.

Financial Resource Summary Table

$ millions	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Actual	2014/15 Variance	2013/14 - 14/15 Variance	2015/16 Budget	2016/17 Budget	2017/18 Budget
Revenues												
Province of BC operating contributions	12.166	12.166	12.166	12.166	11.866	11.866	11.866	-	-	11.813	11.866	11.866
Museum admission fees	5.158	2.785	3.026	4.071	3.604	4.259	5.148	0.889	1.544	4.400	4.300	4.500
Other income	2.325	3.693	3.993	2.970	3.931	3.534	3.570	0.036	(0.361)	3.929	3.978	3.655
Total Revenue	**19.649**	**18.644**	**19.185**	**19.207**	**19.401**	**19.659**	**20.584**	**0.925**	**1.183**	**20.142**	20.144	20.021
Expenses												
Salaries and benefits	9.198	8.908	8.863	9.048	8.303	9.058	8.604	(0.454)	0.300	9.000	9.090	9.181
Building	2.020	2.074	2.340	2.221	2.217	1.992	2.186	0.194	(0.031)	2.113	2.134	2.156
Taxes - City of Victoria	0.741	0.652	0.671	0.657	0.654	0.683	0.639	(0.044)	(0.015)	0.656	0.669	0.683
Security	0.919	0.834	0.896	0.929	0.934	0.906	0.819	(0.087)	(0.115)	0.845	0.854	0.862
Amortization	1.104	1.280	1.244	1.238	1.204	1.172	1.176	0.004	(0.028)	1.392	1.444	1.264
Special exhibitions	2.888	0.448	0.194	1.353	1.215	1.443	1.576	0.133	0.361	1.933	1.751	1.657
Other operating costs	3.136	4.395	4.943	3.707	4.852	4.365	5.536	1.171	0.684	4.140	4.154	4.168
Total Expenses	**20.006**	**18.591**	**19.151**	**19.153**	**19.380**	**19.619**	**20.536**	**0.917**	**1.157**	**20.079**	**20.096**	**19.971**
Annual Surplus of Revenues	**(0.357)**	**0.053**	**0.034**	**0.054**	**0.022**	**0.040**	**0.048**	**0.008**	**0.026**	**0.063**	**0.048**	**0.050**
Net Assets at beginning of year	**13.095**	**12.738**	**12.791**	**12.825**	**12.879**	**12.901**	**12.901**			**12.949**	**13.012**	**13.060**
Net Assets at end of year	**12.738**	**12.791**	**12.825**	**12.879**	**12.901**	**12.941**	**12.949**			**13.012**	**13.060**	**13.110**
Capital	**5.716**	**5.575**	**0.548**	**0.740**	**0.501**	**3.305**	**1.583**	**(1.722)**	**1.082**	**3.225**	**2.105**	**0.505**
Total Debt	-	-	-	-	-	-	-	-	-	-	-	-

Grant Thornton

Independent Auditors' Report

Grant Thornton LLP
3rd Floor
888 Fort Street
Victoria, BC
V8W 1H8

T +1 250 383 4191
F +1 250 381 4623
www.GrantThornton.ca

To the Board of Directors of the Royal British Columbia Museum Corporation

We have audited the accompanying financial statements of the Royal British Columbia Museum Corporation, which comprise the statement of financial position as at March 31, 2015 and the statements of operations, changes in net financial position, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Royal British Columbia Museum Corporation for the year ended March 31, 2015, are prepared, in all material respects, in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2(f) to the financial statements which discloses that the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers and restricted contributions. Note 5 to the financial statements discloses the impact of these differences.

Grant Thornton LLP

Victoria, Canada
May 14, 2015

Chartered accountants

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2015

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

MANAGEMENT'S REPORT

The financial statements of the Royal British Columbia Museum Corporation have been prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, and the integrity and objectivity of the data in these financial statements are management's responsibility. Financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management is also responsible for the safeguarding of financial and operating systems, which include effective controls to provide reasonable assurance that the Corporation's assets are safeguarded and that reliable financial information is produced.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance and Audit Committee. The Finance and Audit Committee meets regularly with management and the external auditors have full and free access to the Committee. The Board of Directors, whose members are not involved in the day-to-day activities of the Corporation, are responsible for the review and approval of the financial statements.

Grant Thornton has audited the financial statements in accordance with Canadian auditing standards.

Jack Lohman CBE
Chief Executive Officer

Melissa Sands CPA, CA
Executive Financial Officer

Victoria, BC
May 14, 2015

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2015

	March 31, 2015	March 31, 2014
Financial Assets		
Cash and cash equivalents (Note 2(b))	$ 3,075,329	$ 5,772,938
Accounts receivable	374,468	175,466
	3,449,797	5,948,404
Financial Liabilities		
Accounts payable and accrued liabilities	2,921,239	1,766,617
Leave liability (Note 2(i))	307,406	329,185
Deferred revenue (Note 7)	1,826,050	5,381,431
Deferred capital contributions (Note 8)	10,371,326	10,345,655
	15,426,021	17,822,888
Net Financial Position	(11,976,224)	(11,874,484)
Non-Financial Assets		
Tangible capital assets (Note 10)	24,673,816	24,266,199
Prepaid expenses	251,866	509,369
	24,925,682	24,775,568
Accumulated Surplus	$ 12,949,458	$ 12,901,084

Commitments (Note 13)

The accompanying notes are an integral part of these financial statements.

ON BEHALF OF THE BOARD:

Director

Director

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

	2015 Budget (Note 4)	2015	2014
Revenues			
Provincial operating contributions	$ 11,866,000	$ 11,866,000	11,866,000
Museum admission fees and memberships	4,259,011	5,147,833	3,604,247
Grants and sponsorships	1,562,728	1,427,778	1,705,954
Property leases	767,960	796,007	754,916
Programs, services and miscellaneous	611,059	566,796	539,653
Amortization of deferred capital contributions (Note 8)	592,413	656,154	615,243
Donated collections and artifacts (Note 2(g))	-	123,375	315,351
	19,659,171	20,583,943	19,401,364
Expenses			
Salaries and benefits	9,058,151	8,603,887	8,303,463
Building costs	1,992,125	2,186,293	2,217,313
Professional services	865,079	1,868,611	1,381,930
Special exhibitions (Note 9)	1,443,000	1,575,831	1,215,017
Amortization	1,171,639	1,175,492	1,203,558
Security	905,777	818,934	933,959
Systems and telecommunications	798,930	787,250	768,804
Offsite Storage	717,980	691,084	490,116
Taxes, City of Victoria	683,310	639,046	654,126
Marketing and communications	444,906	496,617	510,358
Materials and supplies	439,594	475,439	448,268
Office and business	403,118	465,083	421,105
Travel	302,171	273,480	220,278
Insurance	240,000	203,326	197,699
Bank charges	90,000	105,993	82,610
Collections and artifacts	-	123,375	315,351
Other	63,358	45,828	15,189
	19,619,138	20,535,569	19,379,144
Annual Surplus	40,033	48,374	22,220
Accumulated Surplus, beginning of year	12,901,084	12,901,084	12,878,864
Accumulated Surplus, end of year	$ 12,941,117	$ 12,949,458	$ 12,901,084

The accompanying notes are an integral part of these financial statements.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF CHANGES IN NET FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31

	2015 Budget (Note 4)	2015	2014
Annual Surplus	$ 40,033	$ 48,374	$ 22,220
Acquisition of tangible capital assets	(2,305,000)	(1,583,109)	(981,553)
Amortization of tangible capital assets	1,171,638	1,175,492	1,203,558
	(1,093,329)	(359,243)	244,225
Acquisition of prepaid expense	-	(251,866)	(506,975)
Use of prepaid expense	-	509,369	492,224
	-	257,503	(14,751)
Change in net financial position	(1,093,329)	(101,740)	229,474
Net financial position, beginning of year	(11,874,484)	(11,874,484)	(12,103,958)
Net financial position, end of year	$ (12,967,813)	$ (11,976,224)	$ (11,874,484)

The accompanying notes are an integral part of these financial statements.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31

		2015		2014
OPERATING ACTIVITIES				
Cash received from the Province of British Columbia	$	8,961,272	$	14,832,500
Cash received from admission fees and memberships		5,196,069		3,613,034
Cash received from other income		1,892,691		3,604,070
Cash paid for salaries and benefits		(7,836,098)		(8,241,016)
Cash paid for building costs, taxes and security		(3,699,210)		(3,761,988)
Cash paid for materials and services		(5,106,756)		(4,678,725)
Cash paid for special exhibitions		(1,327,635)		(1,694,250)
Cash (used) provided from operating activities		(1,919,667)		3,673,625
INVESTING ACTIVITIES				
Cash used to purchase tangible capital assets		(1,459,766)		(521,989)
Cash received for purchase of tangible capital assets		681,824		-
Cash used for investing activities		(777,942)		(521,989)
Increase (decrease) in cash and cash equivalents		(2,697,609)		3,151,636
Cash And Cash Equivalents, beginning of year		5,772,938		2,621,302
Cash and Cash Equivalents, end of year	$	3,075,329	$	5,772,938

The accompanying notes are an integral part of these financial statements.

1. Nature of operations

The Royal British Columbia Museum Corporation (the "Corporation") is a Crown Corporation of the Province of British Columbia without share capital, incorporated on April 1, 2003 under the *Museum Act*. The Corporation is a tax-exempt body under Section 149(1)(d) of the *Income Tax Act*.

The purpose of the Corporation is to fulfill the Government's fiduciary responsibilities for public trusteeship of the Provincial collections and exhibitions, including specimens, artifacts, archival and other materials that illustrate the natural and human history of British Columbia. The Corporation is dedicated specifically to the preservation of, and education about, the human and natural history of British Columbia. The collection is preserved for future generations of British Columbians.

2. Summary of significant accounting policies

(a) Basis of presentation

The financial statements have been prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as described in Note 2(f).

(b) Cash and cash equivalents

Cash includes cash on hand and balances held in Canadian bank accounts. Cash equivalents are investments in term deposits and are valued at their carrying value plus accrued interest. The carrying amounts approximate fair value as they have maturities at the date of purchase of less than ninety days.

(c) Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities all of which are reported at amortized cost.

(d) Revenue recognition

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, eligibility criteria are met and reasonable estimates of the amount can be made, with the exception of transfers received for capital contributions as described in Note 2(f).

Admission and program fees are recognized as revenue on the date the service is provided. Membership fees are recognized as revenue on a straight-line basis over the term of the membership.

Investment, royalty and rental revenues are recognized when earned in accordance with specified agreements when the amounts can be reasonably estimated and receipt is likely.

Summary of significant accounting policies continued

Grants provided for operational projects by external parties or governments are recognized in the period in which the resources are used, in accordance with the terms of the funding agreement.

Contributions provided for capital projects by external parties or governments are deferred and recognized as revenue on the same basis the related assets are amortized, in accordance with the terms of the funding agreement.

(e) Tangible capital assets

Tangible capital assets are reported at acquisition cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings and improvements	up to 40 years
• Permanent exhibitions	up to 10 years
• Operating equipment	5 years
• Computer hardware and software	3 years
• Vehicles	3 years
• Furniture	5 years

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(f) Deferred contributions

Funding received for the acquisition of depreciable tangible capital assets is recorded as a deferred contribution and is recognized as revenue in the Statement of Operations in an amount equal to the amortization expense on the related depreciable assets. This policy is in accordance with Treasury Board Regulation BC 198/2011 under the authority of the *Budget Transparency and Accountability Act*, S.B.C. 2000, c.23, s.23. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and certain eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability, in which case the transfer would be recognized as revenue over the period in which the liability is extinguished. The impact of the difference in this accounting policy on the financial statements is presented in Note 5.

(g) Collections

In accordance with *PS1000 Financial Statement Concepts*, the collections, including art and historic treasures, are not recorded as assets in the financial statements. Donated collections are recorded as revenue estimated at the fair market value of the gift based on appraisals by independent appraisers. The acquisition of both donated and purchased collections are expensed.

(h) Volunteers

During the year, volunteers contributed approximately 46,222 (2014: 40,000) hours in support of the Corporation. Their activities include guided gallery tours and a variety of programs that enrich

the visitor's experience at the Corporation and its profile in the community. Due to the complexities involved in valuing these services, they have not been reflected in the financial statements.

(i) Employee benefit plans

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The Plan is a multi-employer, defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. The joint trustee board of the plan determines the required plan contributions annually. These contributions to the plan are expensed as incurred. The most recent actuarial valuation (March 31, 2014) determined the Plan had a surplus of $392 million. The contribution rates have remained unchanged since April 1, 2012. Contributions to the Plan by the Corporation were $607,860 in 2015 and $582,680 in 2014.

The Corporation annually contributes through the Provincial Government payroll benefit plan for specific termination benefits and employee benefits as provided for under collective agreements and conditions of employment. The benefit charge back rate that the Corporation pays through the Provincial Government is 25%. Costs of future benefits are recognized as an expense in the year that contributions are paid.

The Corporation administers a leave liability bank consisting of unused vacation earned. The full value of any accumulated vacation is paid upon retirement or termination.

(j) Use of estimates

In preparing the Corporation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. This includes and is not limited to the useful lives of capital assets.

3. Statement of Remeasurement

A Statement of Remeasurement has not been included in these financial statements. Management has determined that it would not provide any additional meaningful information as the Corporation did not recognize any remeasurement gains or losses during the year.

4. Budget

Budgeted figures provided in these statements were approved by the Finance and Audit Committee on April 24, 2014.

5. Emphasis of Matter

Impact of Accounting for Government Transfers and Restricted Contributions in Accordance with Section 23.1 of the Budget Transparency and Accountability Act

If the Corporation adopted Canadian public sector accounting standards excluding the modifications as described in the Treasury Board Regulation BC 198/2011 under the authority of

the *Budget Transparency and Accountability Act,* S.B.C. 2000, c.23, s.23, the impact on the financial statements is presented as follows:

	2015 (Increase)/ Decrease	2014 (Increase)/ Decrease
Statement of Financial Position		
Deferred capital contributions	$ 10,371,326	$ 10,345,655
Accumulated surplus	$ (10,371,326)	$ (10,345,655)
Statement of Operations		
Amortization of deferred capital contributions	$ 656,154	$ 615,242
Annual (surplus) deficit	$ 656,154	$ 615,242

6. Financial risk management

In the normal course of operations, the Corporation is exposed to risks that can affect its operating performance. The Corporation has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and currency risk. Management and the Board of the Corporation ensure that the Corporation identifies and monitors its risks.

Liquidity Risk: Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will have sufficient liquidity to meets its liabilities when they become due.

Credit Risk: Credit risk is the risk of financial loss to a Corporation if a customer or counterparty to a financial instrument fails to meets its contractual obligations. Such risks arise primarily from certain assets held consisting of cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with financially sound institutions and as such liquidity risk is not significant.

Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the Corporation is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are not significant.

7. Deferred revenue

Deferred revenue includes funds related to grants for restricted operating projects, future gallery rental deposits, advance admission sales, memberships and unredeemed gift cards. There are no operational restrictions associated with the grants received for operating projects.

	2015	2014
Restricted	$ 1,412,986	$ 2,057,729
Other Deferred Revenue	413,064	3,323,702
Total	$ 1,826,050	$ 5,381,431

8. Deferred capital contributions

Deferred capital contributions include funds received for construction of permanent exhibitions as well as facilities upgrades including HVAC systems, elevators, lighting and electrical capacity upgrades and permanent exhibits.

	Balance at March 31, 2014	Additions/ (transfer)	Amortized to Revenue	Balance at March 31, 2015
Provincial government	$ 5,177,079	$ -	$ 150,322	$ 5,026,756
Federal government	3,372,856	-	167,966	3,204,891
Other	1,795,720	681,825	337,866	2,139,679
Total	$ 10,345,655	$ 681,825	$ 656,154	$ 10,371,326

9. Special exhibitions

The Corporation hosts temporary exhibitions to provide a window on the world and encourage repeat visitation. In fiscal year 2015 these included: *Vikings, Our Living Languages, British Columbia Remembers: The Great War and 2014 Wildlife Photographer of the Year.* In fiscal year 2014 these included: *Race to the End of the Earth* and *Wildlife Photographer of the Year.* Costs allocated to special exhibitions are those additional costs which are directly incurred to host the exhibition. Professional service contract expenses include exhibition loan fees where applicable.

	2015	2014
Salaries and benefits	$ 161,512	$ 73,545
Professional service contracts	853,866	566,190
Marketing and communications	424,704	356,869
Materials and supplies	72,599	144,297
Other	63,150	74,116
Total	$ 1,575,831	$ 1,215,017

10. Tangible capital assets

Cost	Balance at March 31, 2014	Additions	Disposals	Balance at March 31, 2015
Land	$ 12,510,140	$ -	$ -	$ 12,510,140
Permanent exhibitions *	2,002,192	941,115	-	2,943,306
Operating equipment	495,209	98,031	-	593,240
Hardware and software	1,997,012	385,199	-	2,382,211
Furniture	31,340	-	-	31,340
Buildings and improvements	12,299,715	158,764	-	12,458,479
Total	$ 29,335,608	$ 1,583,109	$ -	$ 30,918,717

Accumulated Amortization	Balance at March 31, 2014	Amortization	Accumulated Amortization on Disposals	Balance at March 31, 2015
Land	$ -	$ -	$ -	$ -
Permanent exhibitions	1,357,634	121,260	-	1,478,895
Operating equipment	299,180	71,943	-	371,123
Hardware and software	1,230,090	452,606	-	1,682,696
Furniture	18,258	4,790	-	23,048
Buildings and improvements	2,164,247	524,892	-	2,689,139
Total	$ 5,069,409	$ 1,175,492	$ -	$ 6,244,901

Net Book Value	Balance at March 31, 2014	Balance at March 31, 2015
Land	$ 12,510,140	$ 12,510,140
Permanent exhibitions	644,557	1,464,412
Operating equipment	196,029	222,117
Hardware and software	766,923	699,515
Furniture	13,082	8,292
Buildings and improvements	10,135,468	9,769,340
Total	**$ 24,266,199**	**$ 24,673,816**

* Permanent Exhibitions includes $740,273 related to Gold Rush Exhibition in Work in Progress

11. Collections

As at March 31, 2015, the collections consisted of approximately 7.2 million artifacts, specimens and archival records (2014: 7.2 million). During the year, the Corporation de-accessioned 32 batches (2014: 4) and accessioned 166 batches (2014: 500) to its collections through the acquisition, purchase and accessioning process. The collections are valued at $150 million for insurance purposes.

12. The Royal British Columbia Museum Foundation

The Corporation has an economic interest in the Royal British Columbia Museum Foundation (the "Foundation"). The Foundation is an independent organization with its own Board of Directors therefore the accounts of the Foundation are presented separately and are not consolidated in these financial statements. The Foundation was incorporated to support activities on behalf of the Corporation. The principal activities of the Foundation are the operation of the Royal Museum Shop, the management of donations, bequests, endowments and the support of projects undertaken by the Corporation.

The Foundation has internally restricted funds of approximately $3,322,000 (2014 - $3,116,000), which are reserved for specific projects for transfer to the Corporation in future years.

During the year, the following amounts were paid by the Foundation to the Corporation:

		2015		2014
Funding for non-capital projects	$	823,606	$	1,727,873
Gift shop royalties		-		41,852
Purchase of goods and services		76,369		44,469
Total	$	899,975	$	1,814,194

As at March 31, 2015, $143,160 is due from the Foundation to the Corporation and is included in the accounts receivable balance (2014: $10,218).

During the year, the following amounts were paid by the Corporation to the Foundation:

		2015		2014
Donations	$	26,258	$	-
Purchase of goods and services		4,112		11,183
Total	$	30,370	$	11,183

As at March 31, 2015, $607 is due from the Corporation to the Foundation and is included in the accounts payable balance (2014: $6,637).

During the year, the CEO of the Corporation was independently contracted by the Foundation to provide professional consulting services with respect to fundraising.

13. Commitments

Operating Agreement

The Corporation has entered into a Theatre Operating Agreement for the operation of a large screen motion picture theatre on the Corporation's premises. Under the terms of the Agreement, the Corporation will be paid a royalty from the theatre including certain negotiated adjustments, plus specific amounts for additional operating costs. The term of the Agreement is 30 years and expires June 24, 2028.

Property Management Contract

The Corporation has entered into a 5 year service agreement for the provision of building management and maintenance services expiring March 31, 2020. Under the terms of the agreement, the Corporation will pay annual management fees based on 14% of the preventive and maintenance budget (2016 budget: $745,000). Although the preventive and maintenance budget will likely change over time, the direction and amount of change cannot be estimated with certainty. Forecasting property management costs based on current budget levels result in the following obligations:

2016	$	104,300
2017		104,300
2018		104,300
2019		104,300
2020		104,300
Total	$	521,500

Additionally, the Corporation will pay for direct maintenance costs as incurred by the contractor.

Information Technology Support Contract

The Corporation has extended to October 31, 2015 a service agreement for the provision of helpdesk and technical infrastructure support services. Under the terms of the agreement, the Corporation will pay fixed and variable fees. Fixed fees are as follows:

2015	$	218,890
Total	$	218,890

Security Contract

In May 2014 the Corporation entered into a 5 year service agreement for the provision of security services expiring March 31, 2019. Under the terms of the agreement, the Corporation will pay annual fees as follows:

2016	$	790,150
2017		805,953
2018		822,072
2019		838,513
Total	$	3,256,688

Additionally, the Corporation will pay for direct security costs as incurred by the contractor for special events, late openings and other functions that require additional security services.

Exhibition Loan Fees

The Corporation has a commitment to disburse the following fees related to the loan of artifacts and objects. Future anticipated payments are as follows:

2016	$	94,813
2017		94,813
Total	$	189,626

Lease Commitments

The Corporation has operating leases to rent warehouse and cold storage space to store and preserve artifacts which expire on April 30, 2020 and January 31, 2017 respectively. Future minimum payments are as follows:

2016	$	251,953
2017		240,913
2018		176,970
2019		176,970
2020		176,970
Total	$	1,023,776

The Corporation is also obligated to cover a proportion of property taxes for the lease expiring in 2020. These costs amounted to $39,145 in fiscal year 2015.

14. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Appendix A: Additional Information

Organizational Overview

The Royal BC Museum's strategic priorities are supported by four organizational streams, each responsible for a number of business areas.

- Archives, Collections and Knowledge
- Exhibitions Innovation
- Operations
- Finance and Business Development

Also see: http://royalbcmuseum.bc.ca/about/corporate-information/organizational-overview/

Governance

We are governed by a Board of Directors that is responsible to the Minister Responsible for the implementation of government direction. The Board's direction is implemented by management, who carries out the day-to-day operations of the Corporation under the supervision of the Chief Executive Officer. For more information on Corporate Governance, please refer to our web page at http://royalbcmuseum.bc.ca/about/corporate-information/.

Board governance information on the Royal BC Museum's websites includes all information required by the Board Resourcing and Development Office's board governance disclosure requirements as listed in Section 3 of the Best Practice Guidelines Governance and Disclosure Guidelines for Governing Boards of BC Public Sector Organizations.

Board of Directors

Susan Knott, Chair; David B. Adams; Daphne Corbett; Heidi E. Dale-Johnson; Garth M. Evans; Mark Palmer-Edgecumbe; Terry Segarty; Angela Wesley; Raymond Protti

Board Committees

Finance and Audit; Governance, Nominating and Human Resources; Site Development

Senior Management

Professor Jack Lohman, CBE, Chief Executive Officer; Angela Williams, Chief Operating Officer and Deputy CEO, Museum Operations; Dr Scott Cooper, Vice President, Exhibitions Innovation, Melissa Sands, Executive Financial Officer; Peter Ord, Vice President, Archives, Collections and Knowledge.

Also see: http://royalbcmuseum.bc.ca/about/corporate-information/governance/

Reports and Policy

See http://royalbcmuseum.bc.ca/about/corporate-information/reports-and-policy/